



# Corporate Presentation

June 30, 2020

SKYLINE  
I N V E S T M E N T S



## General

This presentation has been prepared by Skyline Investments Inc. (the "Company") as a general presentation about the Company.

This presentation is not intended to replace the need to review the formal reports published by the Company to the public on the Tel-Aviv Stock Exchange. This presentation is qualified in its entirety by reference to, and must be read in conjunction with, the information contained in the said reports. In the event of a conflict between this presentation and the contents of the reports of the Company as required by law, the provisions of said reports shall prevail. Additional information about the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

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This presentation may include forward-looking information within the meaning of applicable Canadian and Israeli securities legislation relating to the business of the Company, including forecasts, evaluations, estimates and other information regarding future events and issues. In some cases, forward-looking information can be identified by using terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts.

Forward-looking information in this presentation is based on current estimates and assumptions made by the Company's management, including, without limitation, a reasonably stable North American economy, the strength of the U.S. lodging industry, and the competitive ability of the Company. Although the forward-looking information contained in this presentation is based on what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with such information. Forward-looking information involves risks and uncertainties, including factors that are not within the Company's control, each of which, or a combination of them, may materially affect the Company's operating results and cause the actual results to substantially differ from the forward-looking information.

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## Non-IFRS Measures

In this presentation, the Company uses certain non-IFRS financial measures, which include net operating income ("NOI"), funds from operations ("FFO"), adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") and NOI (EBITDA) which are not measures recognized under International Financial Reporting Standards ("IFRS") and do not have standardized meanings prescribed by IFRS, and should not be compared to or construed as alternatives to profit/loss, cash flow from operating activities or other measures of financial performance determined in accordance with IFRS. NOI, FFO, Adjusted EBITDA and NOI (EBITDA), as computed by the Company, may differ from similar measures as reported by other companies in similar or different industries. These measures should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS. However, these non-IFRS measures are recognized supplemental measures of performance for real estate issuers widely used by the real estate industry, particularly by those publicly traded entities that own and operate income-producing properties, and the Company believes they provide useful supplemental information to both management and readers in measuring the financial performance of the Company. Further details on non-IFRS measures are set out in the Company's Management's Discussion and Analysis for the period ended June 30, 2020 and available on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) or MAGNA at [www.magna.isa.gov.il](http://www.magna.isa.gov.il)

**We're creating one of North America's leading hospitality real estate investment companies, with a focus on income producing properties.**

Skyline seeks to create shareholder value and deliver superior risk adjusted returns through the acquisition of income producing properties and select development projects within the hospitality sector, with a focus on active asset management and creativity.



**18**

Income Producing Assets

**3,301**

Guestrooms

**\$666m/\$251m**

Total Assets/Equity

**37.6%**

Equity to Total Assets  
Ratio

**Baa1.il**

Bond Rating

**2,315**

Units Available for  
Development

- In March 2020, the World Health Organization declared COVID-19 to be a pandemic. In an effort to contain and mitigate the spread of COVID-19, many countries, including Canada and the United States, imposed unprecedented restrictions on travel, group gatherings and non-essential activities, including orders and guidance issued by federal, state, provincial and local governmental authorities.
- As an immediate response to the changing environment due to the COVID -19 pandemic, Skyline temporarily closed all of its 3 resorts, while all 15 hotels in the US remained open with significantly reduced staff and adjusted operating models. On June 12<sup>th</sup>, Skyline's Canadian resorts (Deerhurst and Horseshoe) reopened, while Bear Valley Resort is currently the only property that remains closed and will reopen for the upcoming ski season.
- In the month of April the US and Canadian hospitality sector saw its lowest occupancy levels since the pandemic began and since then there has been a steady month over month increase in occupancy. While we see very positive signs of recovery, it is still difficult to predict near-term demand especially when considering the recent increase of COVID-19 cases in several states in the US. Skyline also cannot predict the medium and long-term impact from COVID-19 on its business.
- Skyline management continues to focus on making all the necessary operational adjustments, while maintaining sufficient liquidity to successfully manage through the pandemic.

## Strong Liquidity Position

- CAD \$41M unrestricted cash in Bank (Most cash the Company has ever had in its 20-year history)
- Additional CAD \$46M expected cash-flow from Port McNicoll and Blue Mountain VTBs

## Government Support

- CAD \$9.3M (US \$6.7M) low interest rate and partially forgivable loans received in the US
- Wage subsidies of CAD 1.4M received during Q2-2020 in Canada, which will continue through December 31, 2020

## Paying our Debt

- Current on all scheduled interest and principal payments
- Paid Bond Series A and B semi-annual principal and interest as scheduled (on July 15, 2020)

## Flexible Operations

- Hotels are one of a few asset classes that have a very flexible operating model allowing it to expand and reduce staffing and other variable costs daily based on occupancy

## Expenses Reduced

- Significant staffing reduction
- Reduction of operational costs
- Temporary closure of 3 resorts and shutting down of entire floors/wings at hotels with low occupancy

## Commitment to Brand and Health Standards

- Enhanced cleaning techniques deployed
- Employees provided with PPE
- Social distancing implemented at all properties

## Signs of Recovery From April Lows

- All of our hotels and Canadian resorts are open and operating, while Bear Valley is planned to reopen for the next ski season
- Majority of Skyline's properties are located in drive-to secondary markets and attract mainly domestic travelers with low reliance on international tourism
- Majority of Skyline's properties are not located directly in "COVID-19 hot spots"
- Most of our properties are Select-Service and Resort properties, segments that are showing the fastest rate of recovery
- Occupancy has increased steadily since April lows due to leisure demand, while business and group travel is still slower to recover

**In response to the COVID-19 crisis, the Company implemented immediate countermeasures, including:**

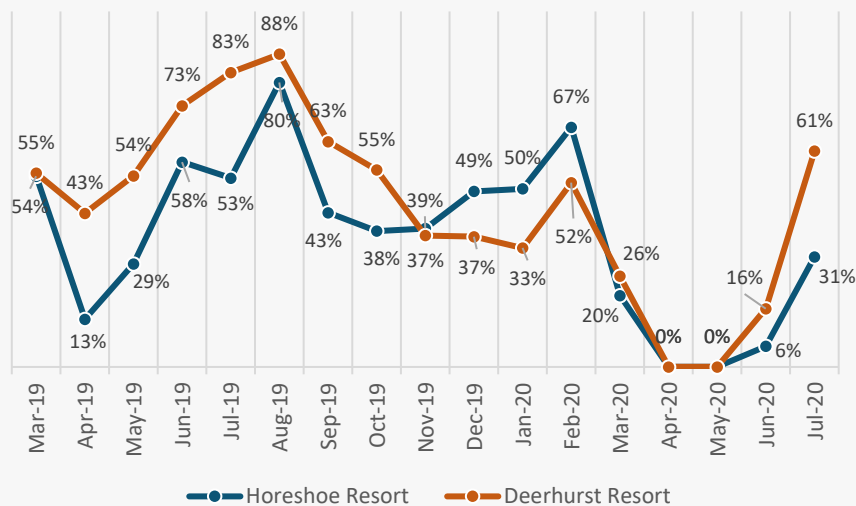
- Significant staffing reduction
- Reduction of operational costs
- Enhanced payment and cash-flow control
- Request from existing vendors and partners to provide discounts
- All food and beverage outlets temporary closed
- Swimming pools and gyms temporary closed
- Focused on re-booking group business into 2nd half of the year and 2021
- Enhanced cleaning and safety protocols in place to ensure safety of our associates and guests
- Eliminated daily cleaning of occupied rooms during guest stays
- All non-essential capital improvement projects have been postponed
- All 15 hotels in the US remained open with adjusted operational models
- Temporary closure of Horseshoe and Deerhurst Resorts; Bear Valley Resort closed until the next ski season

## Began to see impact from COVID-19 in March and occupancy appears to have bottomed out in April

### Canadian Resorts

#### Deerhurst and Horseshoe Resorts

- Canadian Resorts saw an increase in occupancy since reopening in mid June
- While the leisure segment is achieving significant occupancy, the average occupancy is still below pre-COVID levels due to lack of group business



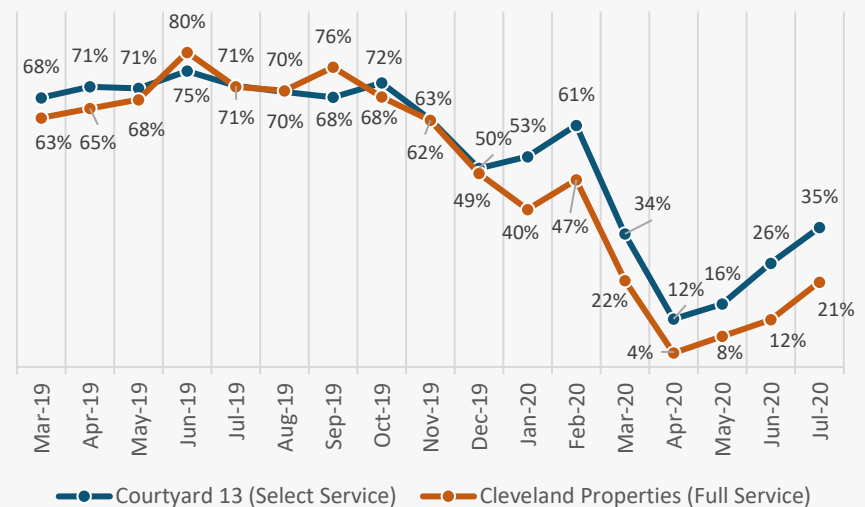
### US Hotels

#### Select-Service Courtyard 13 Portfolio

- Strong increase in occupancy since April low due to increase in domestic leisure travel; business travel slower to recover
- A few hotels, in particular in Chicago, have much lower occupancy than the rest of the portfolio due to the lack of international and business tourism

#### Full-Service Cleveland Hotels

- Due to their size and reliance on group business, they show a slow but steady occupancy recovery
- In June, the operation was impacted by protests in the city core



## Canada

### Canada Employment Wage Subsidy (“CEWS”)

- CEWS covers up to 75% of the first CAD \$58.7K normally paid to eligible employees, representing a benefit of up to CAD \$847 per week, per eligible employee, between March 15, 2020 and at least December 31, 2020.
- As a result, for the three and six months ended June 30, 2020, the Company recorded an offset to operating expenses from hotels and resorts of CAD \$1.2M and CAD\$1.4M, respectively, and to administrative and general expenses of CAD\$0.2M and CAD\$0.2M, respectively.

## US

### Paycheque Protection Program (“PPP”)

- CAD \$9.3M (US \$6.7M) in funds were received during Q2 2020 and have a maturity of 5 years with annual fixed interest of 1%. As part of this program, the portion of any of these loans spent on payroll, utilities, interest and other specified costs may be forgiven by the US Government under certain circumstances.
- During Q2, the company recorded an offset to expenses from hotels and resorts in the amount of CAD \$2M to account for this government assistance.

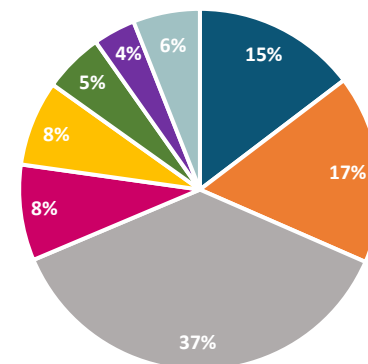
# Debt Composition and Maturities

- **Bond A and B** – Payments are current.
- **Bond A** matures January 2023, can be repaid through obtaining a new property level mortgage or sale of the asset in advance of maturity; onside with all covenants, LTV covenant 0.687 at June 30 and approximately 0.65 at July 15 after semi-annual payment was made.
- **Renaissance Loan** – Due December 2020, Company actively working on a renewal with the lender. Company cannot provide any guarantees of completing this renewal.
- **Hyatt Loan** – Due Q1 2024, Company is currently working on a potential new loan, the process is underway, however, it has been slowed down in the current environment. Company cannot provide any guarantees the new loan will be completed.
- **Courtyard Portfolio Loan** – Interest only, Company is actively working on the extension for December 2020.
- **The Corporate Line of Credit** - is a perpetual loan with annual renewals, current renewal process is underway.
- **Development loans** are multi-year revolvers tied to a project and are classified as short-term because the development cycle is greater than 1 year.
- **Property level** mortgage debt can be refinanced on or sold at maturity.

As of June 30, 2020 (CAD'000)

Weighted Average Term Maturity – 2.38 years

Weighted Average Interest Rate – 4.17%



	Year 1	Year 2	Year 3	Year 4	Year 5 and thereafter	Total Gross	Deferred Fin. Cost	Total Net
■ Bond A	2,939	2,939	44,082	-	-	49,960	(694)	49,266
■ Bond B	4,148	4,148	4,148	4,148	41,004	57,596	(1,355)	56,241
■ Courtyard 13 Loan	-	-	126,400	-	-	126,400	(1,968)	124,432
■ Renaissance Loan	29,305	-	-	-	-	29,305	-	29,305
■ Hyatt Loan and TIF	1,097	1,199	1,315	22,415	-	26,026	(488)	25,538
■ Corporate Line of Credit	18,270	-	-	-	-	18,270	-	18,270
■ Development Loans	6,357	5,792	37	37	796	13,019	-	13,019
■ Cap. Leases, Gov. Loans	2,774	2,691	2,319	2,426	10,063	20,273	(142)	20,131
<b>Total Gross</b>	<b>64,890</b>	<b>16,769</b>	<b>178,301</b>	<b>29,026</b>	<b>51,863</b>	<b>340,849</b>	<b>(4,648)</b>	<b>336,201</b>
Deferred Fin. Costs	(1,872)	(1,534)	(660)	(382)	(200)	(4,648)		
<b>Total Net</b>	<b>63,018</b>	<b>15,235</b>	<b>177,641</b>	<b>28,644</b>	<b>51,663</b>	<b>336,201</b>		

VTB Loans (CAD'000)	Q3-Q4 2020	2021	2022	2023	Total
Blue Mountain <sup>1</sup>	10	-	-	12,832	12,842
Port McNicoll <sup>2</sup>	4,506	7,207	4,379	17,107	33,199
<b>Total VTB Net Cash Flow</b>	<b>4,516</b>	<b>7,207</b>	<b>4,379</b>	<b>29,939</b>	<b>46,041</b>

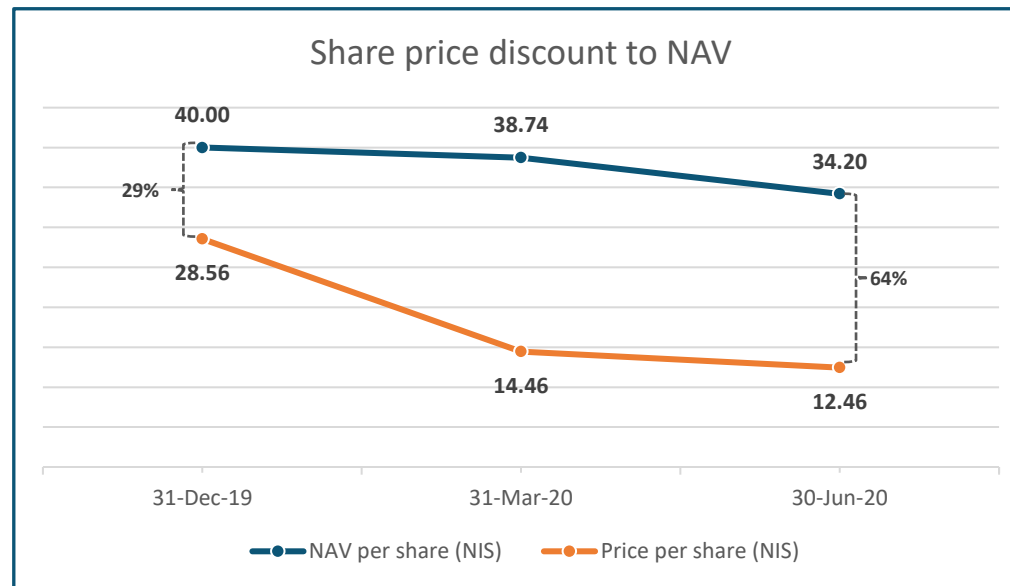
**Note 1:** A portion of the Blue Mountain forecast proceeds above may be received earlier based on completion of construction. Net cash flows represent gross cash flows less costs to complete construction and debt repayments. Skyline's ownership is 60%.

**Note 2:** The cash flows above related to Port McNicoll are forecast based on the land re-sale that the company has pursued through a power of sale that is expected to close on August 17th, 2020.

Q2-2020 Cash Movement Summary (CAD'000)	
<b>Opening Cash Balance</b>	<b>37,770</b>
Operating Cash Flow	(3,070)
Capital Improvements	(1,988)
Proceeds from US Government Grants	9,264
Foreign Exchange & Other	(981)
<b>Ending Cash Balance</b>	<b>40,995</b>

- CAD \$41M in unrestricted cash as at June 30, 2020; CAD \$14M in restricted FF&E and escrow reserves
- Excluding bond payment of 16.5M NIS (CAD \$6.5M) on July 15<sup>th</sup>, cash balances increased a further CAD \$2M during the month of July 2020
- Approximately CAD \$3M of available lines of credit

- Skyline's share price was trading at 64% discount to its NAV as of June 30, 2020 (Skyline uses fair value accounting, therefore NAV is equal to its Book Value at June 30, 2020)
- The company received independent, third-party appraisals for 73% of its US hotels and Canadian resorts as at June 30, 2020, which resulted in a reduction in the company's shareholders' equity of CAD \$19.9M and CAD \$20.8M (net of tax) in three and six months 2020, respectively
- Even after this reduction, NAV is 34.20 NIS per share compared to its share price on June 30, 2020 of 12.46 NIS



- Total equity to total assets ratio of 37.6%
- Net debt to Net CAP<sup>1</sup> ratio of 54.1%
- Cash balance of \$41M; approximately \$14M in additional restricted bank deposits and other deposits that can be accessed in certain circumstances
- Significant cash-flow of CAD \$46M during next 4 years from recently sold development projects Port McNicoll and Blue Mountain
- Low LTV (56% for hotels and resorts and 9% for lands)
- Total value of unencumbered assets is approx. \$76M at June 30, 2020
- Effective average loan term of 2.4 years, and an average interest rate of 4.2%

(1) Net CAP is defined as the sum of total equity and net debt per the Company's balance sheet.

## Skyline's Strategy

Acquisition of hospitality properties to further decrease seasonality and diversify our geographic presence

Continued monetization of land assets to less than 10% of total assets

Active asset management and optimization of cash flow from existing hotel assets:

- Continual analysis of properties performance
- Research of the operation markets
- Implementations of properties upgrades
- Intensive site visits

## Acquisition Targets

Focus on the US and Canada

Stabilized in-place income

Strong potential growth

Strong demand generators

Limited new supply

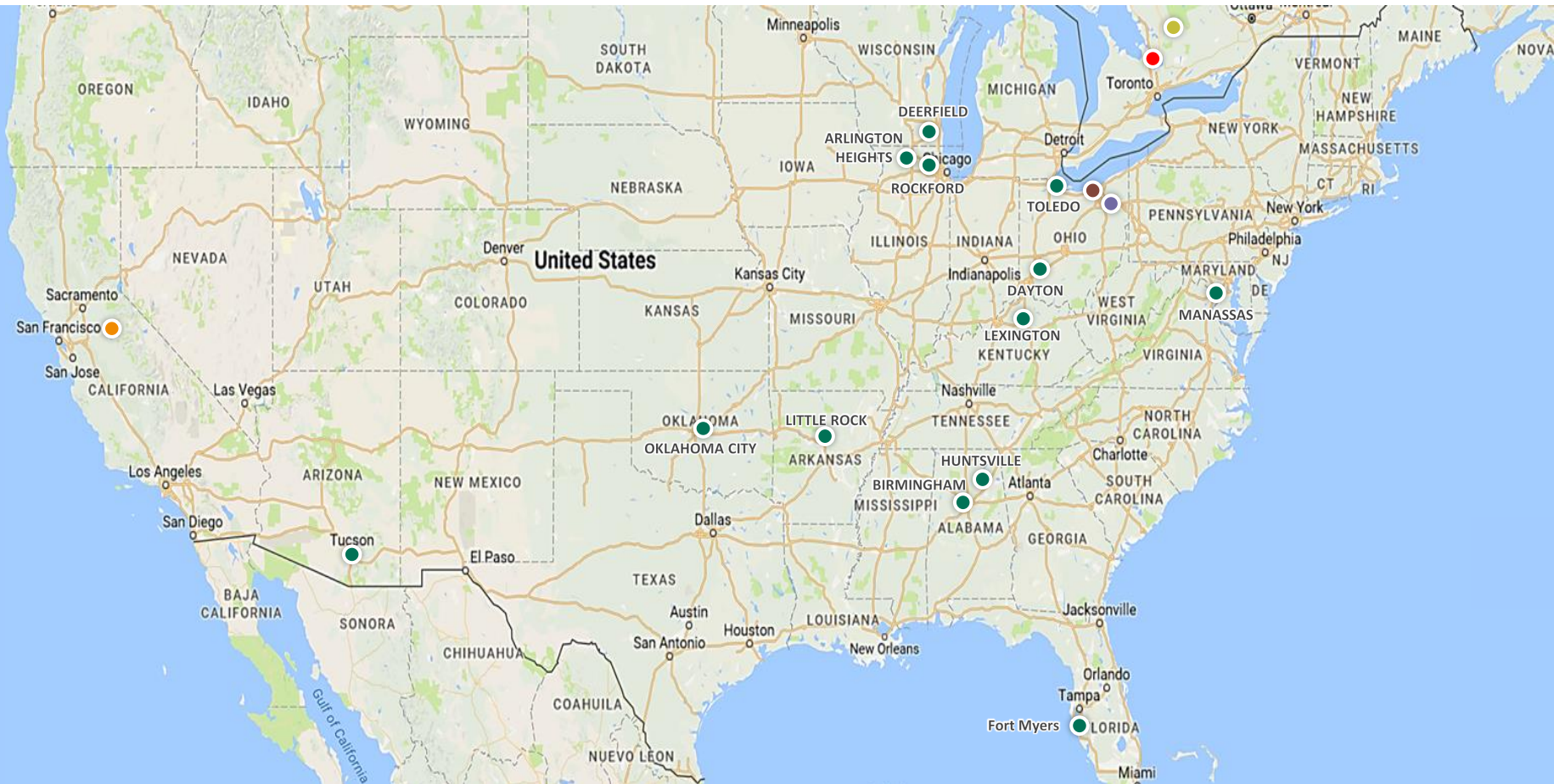
Low seasonality

Acquisition cost below replacement cost



# Portfolio Map

SKYLINE  
INVESTMENTS



18 INCOME PRODUCING ASSETS | 3,301 HOTEL ROOMS | 18 CITIES IN THE US AND CANADA

**Blake Lyon CA, CPA**  
CEO, Board Director



Blake Lyon has an extensive experience in hotel and resort asset management in Canada and Internationally. Before joining Skyline, Mr. Lyon served as the CEO of some of the largest family offices in Canada and was responsible for the management of real estate assets totaling \$9B, and was CFO at Brookfield.

**Robert Waxman**  
CFO



Robert Waxman has over 20 years of experience in accounting, finance, and real estate. Prior to this appointment, Mr. Waxman led Deloitte's Real Estate Practice's Finance Modernization & Effectiveness advisory group.

**Ben Novo-Shalem**  
VP, Asset Management &  
Investor Relations



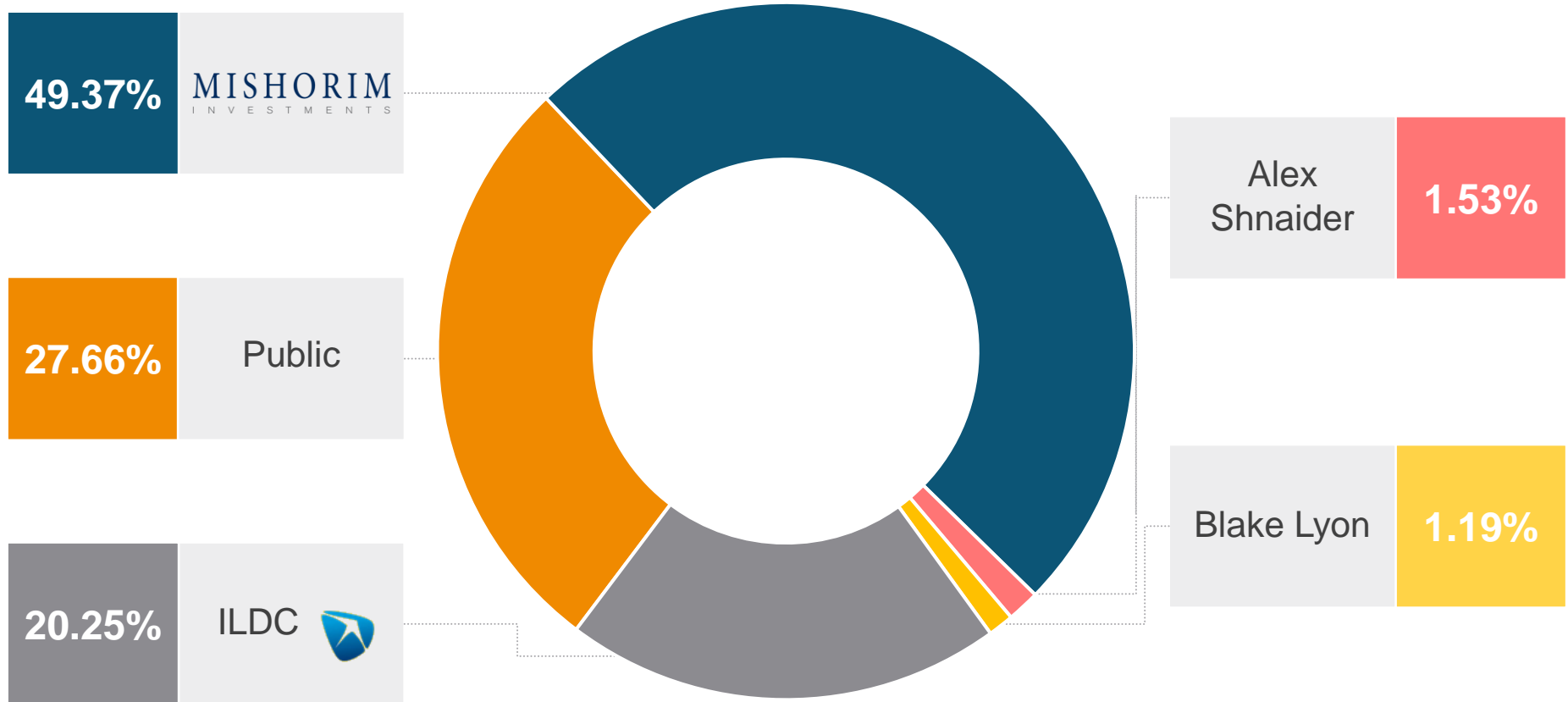
In his previous position, Ben Novo-Shalem served as the head of the research department and was in charge of the income-producing real estate sector at Epsilon Investment.

**Paul Mondell**  
Senior VP Development



In the last 6 years, served as VP Business Development in two leading companies (Brookvalley Development and Management, and Walton Development).

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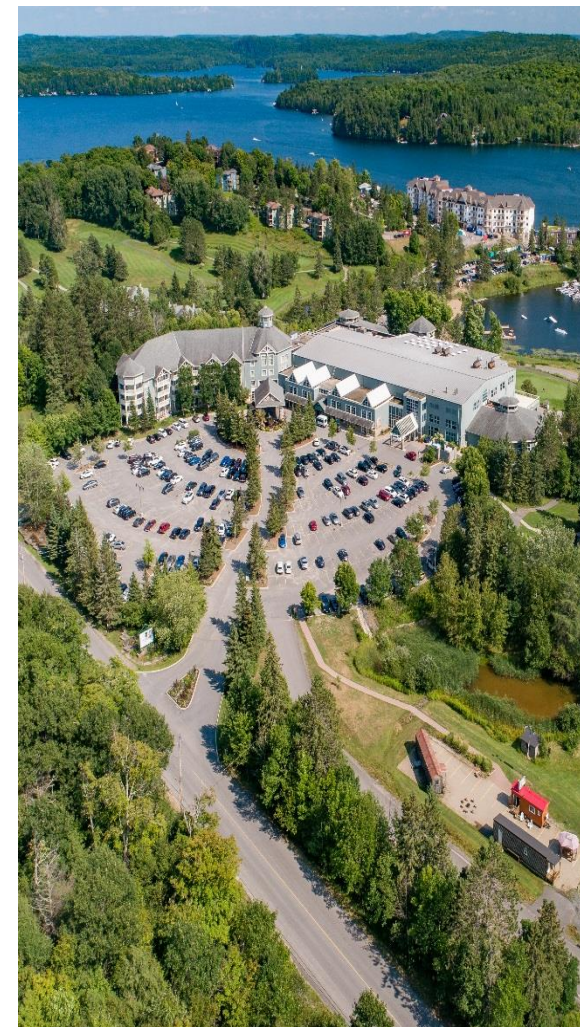
# Summary of Periodic Results

<i>CAD '000</i>	1H 2020	1H 2019	FY 2019
Income from Hotels and Resorts	48,539	96,665	193,585
Sale of Residential Real Estate	30,408	33,919	41,658
<b>Total Revenue</b>	<b>78,947</b>	<b>130,584</b>	<b>235,243</b>
NOI from Hotels and Resorts	2,732	22,007	42,214
<b>Total Adjusted EBITDA</b>	<b>2,283</b>	<b>23,667</b>	<b>40,849</b>
<b>FFO</b>	<b>(4,975)</b>	<b>12,994</b>	<b>18,331</b>
Same Asset Revenue	48,539	95,909	192,760
Same Asset NOI	2,732	21,517	41,565



# Balance Sheet Highlights

<i>CAD '000, except where noted</i>	June 30, 2020	December 31, 2019
<b>Total Assets</b>	<b>665,755</b>	<b>675,846</b>
Gross Debt <sup>1</sup>	336,201	302,814
Cash and Equivalents	40,995	26,874
<b>Net Debt</b>	<b>295,206</b>	<b>275,940</b>
Shareholders' Equity	226,261	252,374
Non-Controlling Interest	24,392	24,467
<b>Total Equity</b>	<b>250,653</b>	<b>276,841</b>
Shareholders' Equity Per Share	\$13.51	\$15.07
<b>Net Debt to Net Assets Ratio<sup>2</sup></b>	<b>47.3%</b>	<b>42.5%</b>
<b>Total Equity to Total Assets Ratio</b>	<b>37.6%</b>	<b>41.0%</b>



(1) Gross debt is defined as total current and non-current loans payable and bonds, net of unamortized deferred financing costs as presented on the Company's balance sheet.

(2) Net assets represents total assets per the Company's balance sheet, less cash and cash equivalents.

# Net Asset Value (in 000's CAD)

	Ownership	BV	NOI 2019	TTM Q2 '20 NOI	Loan Balance June 30, 2020	LTV	Equity
<b>Hotels and Resorts</b>							
Deerhurst Resort <sup>(1)</sup>	100%	74,440	6,106	4,594	49,266	66%	25,174
Horseshoe Resort	100%	39,500	2,854	2,469	18,270	46%	21,230
Hyatt Regency Arcade	100%	69,428	5,736	2,081	25,538	37%	43,890
Renaissance Hotel	50%	54,890	6,280	1,219	29,305	53%	25,585
Courtyard Hotels	100%	181,239	18,695	9,121	124,432	69%	56,807
Bear Valley Resort	100%	20,863	2,232	2,027	-	0%	20,863
<b>Total Hotels and Resorts</b>		<b>440,359</b>	<b>41,902</b>	<b>21,511</b>	<b>246,811</b>	<b>56%</b>	<b>193,549</b>
Other (2)		3,695	312	1,427	12,470		(8,775)
<b>Total Hotels and Resorts per Consolidated FS</b>		<b>444,054</b>	<b>42,214</b>	<b>22,938</b>	<b>259,280</b>	<b>58%</b>	<b>184,774</b>
Average Interest Rate (3)					3.77%		
<b>Lands</b>							
Deerhurst Lands	100%	27,224			5,839	21%	21,385
Horseshoe Lands	100%	17,900					17,900
Blue Mountain Lands	60%	16,300					16,300
Port McNicoll	100%	6,101					6,101
<b>Total Lands</b>		<b>67,525</b>			<b>5,839</b>	<b>9%</b>	<b>61,686</b>
Projects Under Construction and Other		13,886			860		
<b>Total Real Estate</b>		<b>525,465</b>			<b>265,980</b>		
Cash and Cash Equivalents		40,995					
Vendor's Take Back Against Port McNicoll Lands		30,755					
Vendor's take back against others		29,364			6,320		
Receivables & Other		39,177					
<b>Total Assets per Financial Statements</b>		<b>665,755</b>			<b>272,300</b>		
Debt (Incl. Bonds)		329,039	Including Unsecured Series B Bonds		56,739		
PPP Loans		7,162			7,162		
Payables & Other		45,924			5.65%		
Deferred Tax		32,978					
<b>Total Liabilities</b>		<b>415,102</b>					
Non-Controlling Interest		24,392					
Equity Attributable to Shareholders of the Company		226,261					
<b>Total Equity</b>		<b>250,653</b>	<b>Total Debt, incl. bonds</b>		<b>336,201</b>		
Number of Shares, 000		16,745					
<b>Equity per Share (CAD)</b>		<b>13.51</b>					
<b>Equity per Share (NIS)</b>		<b>34.20</b>					

Exchange rate NIS/CAD (as of June 30, 2020) is 0.3951

(1) Loan balance: Series A bonds .

(2) Debt consists of equipment lease obligations; book value and NOI relate to Skyline Utility Services.

(3) Average interest rate is calculated by multiplying the loan stated interest rate by loan balance and dividing by total loan balance.



SKYLINE  
I N V E S T M E N T S

## Main Operating Assets in the United States



The Hyatt Regency Arcade,  
Cleveland, OH

# SKYLINE

I N V E S T M E N T S

## 13 Courtyard by Marriott Hotels



Courtyard Birmingham Hoover,  
Hoover, AL



Courtyard Manassas Battlefield Park  
Manassas, Virginia



Courtyard Toledo Airport  
Toledo, OH



Courtyard Fort Myers Cape Coral  
Fort Myers, FL



Courtyard Deerfield  
Deerfield, IL

## PROPERTIES OVERVIEW (USD)

### Location

9 States

### Brand

Courtyard by  
Marriott

### Management

Aimbridge

### Service Level

Select Service

### Date of Acquisition

November  
14<sup>th</sup>, 2017

### Number of Hotels

13

### Number of Rooms

1,913

### Acquisition Price

\$135,000,000

### Price Per Room

\$70,500

### Five Year Mortgage

\$89,500,000

### Capital Credit Line

\$31,000,000



2017

2018

2019

### Revenue

52,937 50,628 52,098

### NOI

14,920 13,744<sup>1</sup> 14,085

### NOI/Revenue

28% 27%<sup>1</sup> 27%

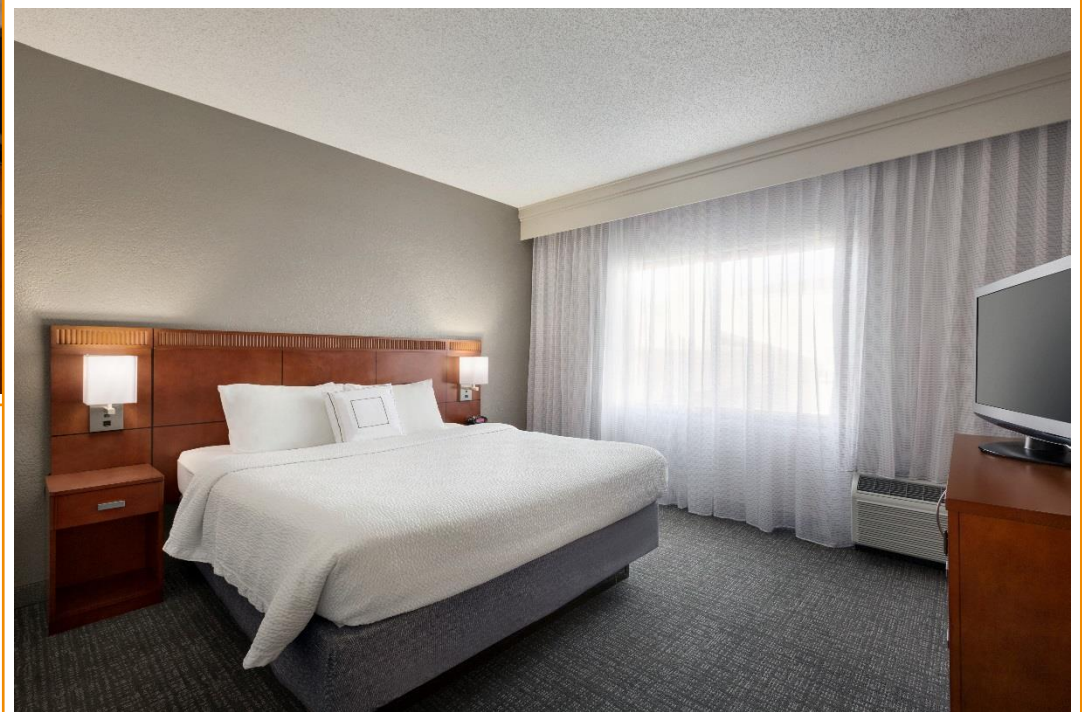
HISTORICAL  
PERFORMANCE  
(000's USD)

(1) Figure updated due to a transcription error in the 2018 presentation.

**Active Asset Management – Ft. Myers Courtyard Renovations**



Before Renovation



After Renovation

# Hyatt Regency Arcade

SKYLINE  
INVESTMENTS



HYATT  
REGENCY®  
CLEVELAND



## Overview

The historical Cleveland Arcade was built by John D. Rockefeller in 1890

The hotel is an attractive event destination and hosts 60 to 80 weddings and other events a year

## Details

**Location** | Cleveland, USA

**Number of Rooms** | 293

**Meeting Space** | 7,000 Sf

**Franchise** | Hyatt Regency

**Management Company** | Hyatt

## 2019 Financial Information (CAD '000)

**Book Value** | \$68,757

**NOI** | \$5,736

## Improvements

- Recently completed renovations of all rooms and meeting spaces. The renovation has improved the hotel's competitive advantage
- The renovation was mostly funded by the property renovation reserve<sup>1</sup>

## Future Potential

- Increasing NOI as the USD \$465M Cleveland Convention Center is expected to grow in popularity
- Continued rental of the commercial areas
- Expectation of growth in the Cleveland economy leading to an increased number of visitors

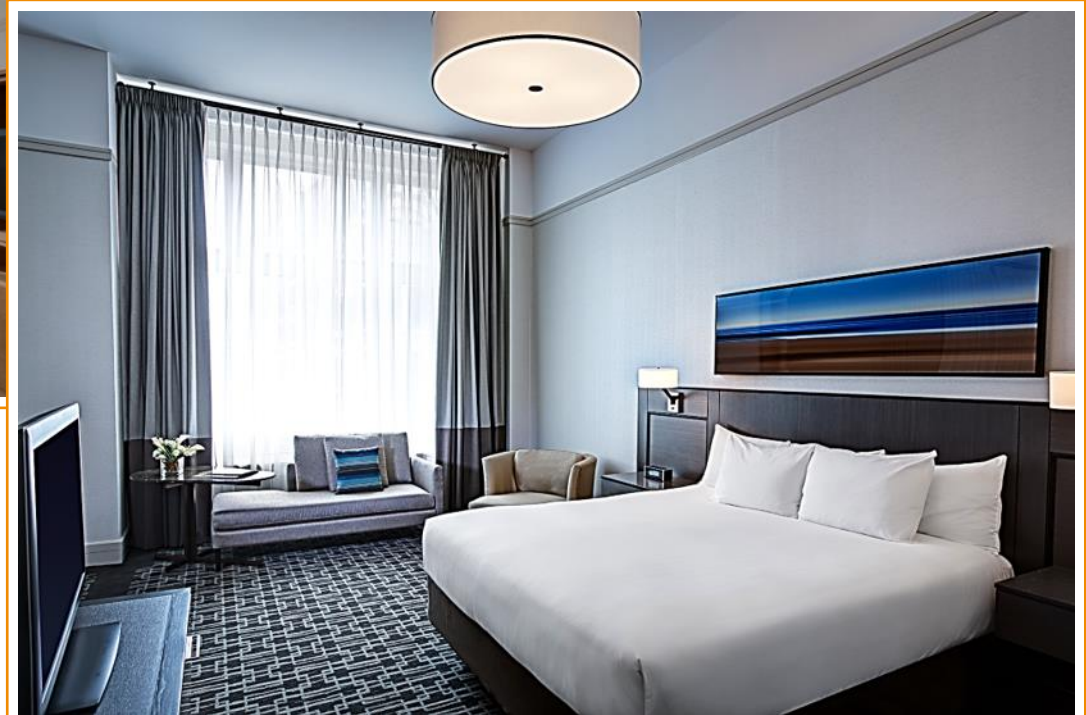


(1) Property renovation reserve: restricted cash reported separately from cash and cash equivalents balances

## Active Asset Management – Hyatt Room Renovations



Before Renovation



After Renovation

# Renaissance Cleveland Hotel

SKYLINE  
INVESTMENTS



R  
RENAISSANCE®  
CLEVELAND HOTEL



## Overview

Historical Heritage asset established in 1918 as The Cleveland Hotel

Notable visitors in the hotel's history: Dwight D. Eisenhower, Gerald Ford, Martin Luther King and The Beatles

The hotel is located in the City's CBD near the main square

The city invested about USD \$40M in the renovations of the public square as part of an urban renewal strategy

## Details

Location	Cleveland, USA
Number of Rooms	491
Meeting Space	34 conference rooms, about 65,000 Sf
Owned Parking Spaces	300 Spaces
Franchise	Renaissance
Management Company	Aimbridge
Ownership	50%

## 2019 Financial Information<sup>1</sup> (CAD '000)

Book Value	\$55,211
NOI	\$6,280

(1) Skyline owns 50% while financial information is representative of 100% of the asset.

## Improvements

- Skyline completed the full HVAC replacement. This was the top complaint from hotel guests and is also expected to contribute to energy savings
- Skyline is planning the next two phases of hotel renovations which will include updates to the meeting space and rooms
- 1st phase renovations were mostly financed by the in-place USD \$17M credit line

## Future Potential

- Increasing NOI as the USD \$465M Cleveland Convention Center is expected to grow in popularity
- Continued rental of the commercial areas
- Expected performance improvement following the HVAC replacement, the #1 guest complaint
- Expectation of growth in the Cleveland economy leading to an increased number of visitors



# Bear Valley

SKYLINE  
INVESTMENTS



## Overview

A ski resort in Southern California, three and a half hours from San Francisco

Acquired on December 2014 for US \$3.7M from the Company's own resources

## Details

**Location** | 3.5 hours from San Francisco

**Asset Type** | Ski Resort

**Numbers of Rooms** | 51

**Land Area** | Approx. 1700 Acres

**Amenities** | 75+ Ski Trails

## 2019 Financial Information (CAD '000)

**Book Value** | \$20,323

**NOI** | \$2,232

## Improvements

- Since the acquisition invested USD \$3.2M in equipment and improvements
- In 2017 Skyline invested USD \$5.5M on a new ski lift which allowed the Company to increase day-use lift tickets from USD \$79 in 2017 to USD \$99 at the end of 2018

## Future Potential

- Continued growth of NOI by returning the number of visitors to historical levels
- Opportunity to develop land near the property



SKYLINE  
INVESTMENTS

## Main Operating Assets in Canada



# Deerhurst

SKYLINE  
INVESTMENTS



DEERHURST  
A SKYLINE RESORT  
MUSKOKA



## Overview

World-class four-season resort located in Muskoka near Toronto, Canada.

The new 150-room Lakeside Lodge was completed during 2019, with 147 of 150 units delivered and occupied

## Details

<b>Location</b>	Muskoka (2 Hours from Toronto)
<b>Number of Rooms</b>	388 (102 Owned / 286 Managed)
<b>Meeting Space</b>	40,000 Sf
<b>Land Area</b>	790 Acres
<b>Amenities</b>	Golf Courses, 10 Event Halls, Spa, 5 Restaurant, Private Airport

## 2019 Financial Information (CAD '000)

<b>Book Value</b>	\$76,673
<b>NOI</b>	\$6,106

## Future Potential

- Increasing NOI by streamlining operations
- Sold 147 of 150 units at Lakeside Lodge. 87 units have joined the hotel's rental program
- Improving occupancy during off-season by marketing to new audiences
- Existing approved zoning plan for 640 housing units and 48,500 sqf. of retail space for development
- In 2018 and early 2019, Skyline upgraded part of the Deerhurst meeting space to increase the amount of events



# Horseshoe Resort

SKYLINE  
INVESTMENTS



**HORSESHOE**

A SKYLINE RESORT

BARRIE



## Overview

An all-season resort based around the Horseshoe Ski Mountain, one of the closest Ski Resort to Toronto, Canada

The Horseshoe Adventure Park and Horseshoe Lake are at the center of summer activities

## Details

<b>Location</b>	Barrie (1.5 hours from Toronto)
<b>Numbers of Rooms</b>	161 (101 Owned / 60 Managed)
<b>Meeting Spaces</b>	14,500 Sf
<b>Land Area</b>	220 Acres
<b>Amenities</b>	25 Ski Trails, 2 Golf Courses, Spa, 5 restaurants

## 2019 Financial Information (CAD '000)

<b>Book Value</b>	\$41,500
<b>NOI</b>	\$2,854

## Improvements

- Sold 42 of 44 units at Slopeside Lodge. All sold units have been delivered
- Officially opened the new Horseshoe Lake in August 2017, enhancing summer activities and snow making capacity
- Skyline is currently working on plans for its next development project, Valley Lodge

## Future Potential

- Increasing NOI by adding rental units
- The new lake improves off-season amenities
- The lake alongside the new pipes and snow-making equipment increased snow production fourfold
- Continued sale and development of land within Horseshoe



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Land Sales and Development



# Lakeside Lodge

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# Slopeside Lodge

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# Blue Mountain Development Lands

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# Asset Ownership Breakdown

Property	Property Owner	Manager	Brand/Franchise	Leased
<b>Deerhurst</b>	Skyline	Skyline	Independent	None
<b>Horseshoe Valley</b>	Skyline	Skyline	Independent	None
<b>Bear Valley</b>	Skyline	Skyline	Independent	None
<b>Hyatt Regency Cleveland</b>	Skyline	Hyatt	Hyatt Regency	None
<b>Marriott Renaissance Cleveland</b>	Skyline	Aimbridge	Marriott Renaissance	None
<b>Marriott Courtyard Hotels</b>	Skyline	Aimbridge	Courtyard by Marriott	None

	Owned	Managed	Franchised	Leased
<b>Description</b>	Owned and operated by an owner who bears all the costs associated with the hotel but also benefits from all of the income	Owner of a hotel uses a third-party manager to operate the hotel on its behalf and pays the manager management fees	Owned and operated by an owner under a third-party brand name, and the owner pays a brand licensing fee to the brand owner	Owner-operator of a hotel does not have outright ownership of the hotel but pays rental fees to the ultimate owner of the property
<b>Owner's Income</b>	All revenues and profits after management and franchise fees	Fee % of revenue plus success fee	Fee % of room revenue	Rental Fee to Property Owner

# Thank You!



## Questions?

Please contact Rob Waxman | Chief Financial Officer  
647-207-5312 | [robw@skylineinvestments.com](mailto:robw@skylineinvestments.com)

[WWW.SKYLINEINVESTMENTS.COM](http://WWW.SKYLINEINVESTMENTS.COM)

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